

Exhibit No. 4Date 3-26-07Bill No. HB 819

HOUSE BILL NO. 819
Senate Finance and Claims Committee
Testimony Submitted by Judicial Branch
March 26, 2007

The Judicial Branch requests that its budget be restored to reflect the Joint Appropriations General Government and Transportation Subcommittee's recommendations in the following areas:

- ☐ ***Remove personal services reduction (\$500,000 for FY 2008 and \$500,000 for FY 2009).*** HB 819 reduces personal services in the District Court Operations Program by \$500,000 each fiscal year. If this reduction is imposed, a District Court judge will be forced to delay filling vacant support positions, which will impede the judge's ability to dispose of cases in a timely manner. Additionally, keeping Youth Court positions vacant will mean more overtime for existing staff or less services to troubled youth.
- ☐ ***Restore judicial support and youth probation staff (\$162,424 for FY 2008 and \$163,054 for FY 2009, 3.95 FTE).***
 - Support for District Court judges (0.95 FTE). Two judicial districts lack adequate administrative support forcing judges to answer phones, handle walk-in traffic, and perform other administrative tasks, which reduces time available for judicial duties. This proposal provides 0.2 FTE for the 7th Judicial District (McCone, Richland, Dawson, Prairie, and Wibaux Counties) to increase the judicial assistant to fulltime and 0.75 FTE for the 16th Judicial District (Garfield, Treasure, Rosebud, Custer, Powder River, Carter, and Fallon Counties) to increase two judicial assistants to fulltime.
 - Support for Youth Court (3.0 FTE). The 4th Judicial District (Missoula and Mineral Counties) and the 13th Judicial District (Yellowstone County) operate intensive supervision programs for juvenile offenders. These programs offer a more cost-effective and less restrictive alternative to high cost out-of-home placements, secure detention, or youth correctional facilities. Intensive supervision programs keep youth in the community under close supervision and monitoring enabling them to attend school,

(Over, please)

receive treatment in the community, and hold a job to pay restitution. This appropriation would provide funding for two community supervision officers in the 4th Judicial District and one officer in the 13th Judicial District.

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- ☐ **Restore pro se law clerk (\$56,534 for FY 2008 and \$53,979 for FY 2009; 1.0 FTE).** In 2006, 33% of the cases filed with the Supreme Court were generated by pro se parties (people representing themselves). These cases require significantly more court time to process than cases filed by law trained individuals. This position would conduct an initial review of pro se cases alerting the justices to those cases requiring review by the full Court. This threshold review would save justices hours of preliminary review. The clerk would also save time for the Attorney General's staff who are often requested by the Court to respond to the merits of inmate petitions.
 - ☐ **Restore District Court safety and security proposal (\$300,000 one-time only).** This proposal is based on the Department of Justice's safety and security inspections of the state's district courthouses. The inspections generated a list of equipment needs for each courthouse. This appropriation would permit the Office of Court Administrator to provide grants to counties to purchase security equipment (e.g., convex mirrors, door locks and alarms, duress buttons, closed circuit cameras) to mitigate the most significant safety and security issues to help protect the public and employees who use these buildings. Counties receiving grants would be required to create joint security committees, adopt standard protocols for courthouse safety, and share in the cost of purchasing necessary equipment.
 - ☐ **Restore judicial education (\$35,000 for FY 2008 and \$35,000 for FY 2009).** Judicial education is an essential component of an effective and efficient judiciary. Because relevant judicial training is not always available in-state, justices and judges need to travel out of state or educators need to be brought to Montana for training purposes. This appropriation would support out-of-state training for justices and judges, additional instructors at the judges' conferences, and in-state training for court employees, including judicial assistants, court reporters, law clerks, and youth court staff.



**MONTANA
QUALITY EDUCATION
COALITION**

March 25, 2007

**TO: SENATOR COREY STAPLETON
SENATE FINANCE AND CLAIMS COMMITTEE**

**FROM: PETE CARPARELLI, EXECUTIVE DIRECTOR
MONTANA QUALITY EDUCATION COALITION**

**RE: INFORMATION REQUESTED DURING HB809 HEARING
ON MARCH 23, 2007**

Chairman Schmidt, Senator Stapleton, and members of the Senate Finance and Claims Committee, the Montana Quality Education Coalition presents this packet of information and proposals in response to the request from Senator Stapleton during the Committee hearing of HB809 on March 23, 2007.

MQEC presents this packet of information and proposals as a good faith indication that we wish to join you and the Governor in a collaborative effort to provide adequate stable and on-going funding for quality public K-12 education. We offer this response as a clear indication of the level and quality of funding that MQEC would consider significant progress toward adequacy, and which would encourage MQEC to reconsider the need for continued litigation of the current school funding lawsuit, Columbia Falls School District et al V. the State of Montana.

We cannot, however, offer this packet of information and proposals in a way that would appear to be a settlement offer or as a promise that litigation would cease should the information and proposals be utilized in the ultimate funding package passed by the 2007 Legislature.

I. Funding Request and Proposals

Education Community Consensus on K-12 Funding Proposals - February 23, 2007

The education community has carefully considered and is united behind the funding proposals referenced on this page. Taken together, these funding proposals will provide school districts with the funds necessary to continue to progress toward the provision of an education that is worthy of the definition of the basic system of free quality schools under section 20-9-309, MCA. These proposals represent our collective expectations and hopes for the 2007 Legislative Session. This is a unified proposal that is supported by the Superintendent of Public Instruction, the Board of Public Education, the Montana Quality Education Coalition, the Montana Rural Education Association, MEA-MFT, The Montana Association of School Business Officials, the School Administrators of Montana, and the Montana School Boards Association.

Item	FY08 Cost	FY09 Cost	Biennial Cost
Inflationary Adjustments of 2.76% and 3% for all general fund entitlements and present law and inflation for special education	\$17,616,672	\$33,699,258	\$51,315,930
Fulltime Kindergarten *	\$12,855,867	\$14,881,346	\$27,737,213
Increase quality educator payment by \$2,000 in FY08 and by another \$2,000 in FY09	\$24,715,598	\$49,431,196	\$74,146,794
Reverse Retirement Restriction for Employees Paid with Federal Funds	\$3,182,403	\$3,277,875	\$6,460,278
Intervention strategies (e.g. could be used for early childhood in elementary grades, dropout retrieval in the high schools, etc.) funding at greater of \$100 per ANB or \$1,000 (inflation-adjust in second year).	\$14,600,000	\$15,038,000	\$29,638,000
Competitive grants administered by OPI for early childhood education	\$2,773,721	\$2,773,721	\$5,547,443
Fund Gifted and Talented Funding at greater of \$35 per ANB or \$350 (inflation-adjust in second year)	\$4,501,624	\$4,457,684	\$8,959,308
Increase funding for Indian Education for All to the greater of \$50 per ANB or \$1,000	\$4,329,390	\$4,286,770	\$8,616,160
Provision of a distance learning technology payment of \$250 per pupil for 135 hours of instruction or \$500 for 270 hours of instruction.	\$161,250	\$325,000	\$486,250
Teacher Loan Repayment Program	\$324,000	\$675,000	\$999,000

Increase Rate of Reimbursement for Transportation and Provide State Reimbursement of Mileage within 3 Mile Limit	\$1,813,155	\$1,813,155	\$3,626,310
ESTIMATED TOTAL **	\$86,873,680	\$130,659,005	\$217,532,686

* We also support OTO startup funds of \$10 million as proposed by Superintendent McCulloch

** In addition to the funding increases supported above, we request that, in considering taxes, the Legislature and Governor should reflect on historic trends in taxation that have placed a disproportionate burden for funding schools on property taxpayers.

Funding Facilities Operations and Maintenance, Energy Cost Relief

MQEC believes the funding for facilities operations and maintenance, and for energy cost relief is proving out to be extremely helpful to the vast majority of schools and districts during the current school year. (See attachment: 2007 Legislative Agenda: Quality Schools for Every Montana Child, point 3). MQEC testimony on SB152 before House Education stated, "We urge an amendment to provide a new section to make the 2005 Special Session one-time-only funding for school facilities on-going and annually adjusted for inflation until the school year following completion of the statewide facilities study." This funding has enabled quality improvements of buildings, and has indirectly enabled quality enhancement of instruction as it allowed greater portions of school district budgets to be used in direct services to children. This funding will surely mitigate the cost of the statewide facilities liability determined by the statewide study – consider it paying forward or on installment.

The cost of this funding beyond the "Education Consensus..." is: \$25 million for the biennium.

In the alternative, MQEC recommends a facilities entitlement added to the BASE Aid that is calculated on cost per square foot of instructional space or as a per ANB increase that is a cost-based proxy for square foot allocation. We have been unable to determine the cost statewide at this time, but using the figure from 2005 would be a good start.

Inflationary Adjustment

While MQEC supports the consensus on inflationary adjustments, it has testified in favor of a more suitable (more contemporaneous) CPI calculation in place of the current calculation that is less straightforward and does not accurately reflect the inflationary factor impacting school costs at the time budgets are being determined.

Authorize Districts to Use the Money You provide

We have testified that districts at or near the maximum budget level are not able to put funds provided by the Legislature to the use for which they were intended unless those schools are given the authority to do so. Language such as that in HB363(Ward) would achieve that very important goal without a cost to the State. Other methods of attaining or approaching that goal would be welcomed.

Impact on Local Taxpayers

Referring to the "footnote **" in the Education Consensus....,

** In addition to the funding increases supported above, we request that, in considering taxes, the Legislature and Governor should reflect on historic trends in taxation that have placed a disproportionate burden for funding schools on property taxpayers.

There is data showing that the rate of local taxpayer burden statewide has slowed considerably by the infusion of State funding during the 2005 Sessions. MQEC encourages funding levels, share and mechanisms that continue to reduce the local burden.

II. Discussion

The Montana Quality Education Coalition remains dedicated to school funding that clearly addresses the State's definition of Quality. MQEC remains dedicated to funding that delivers on the promise of the Constitution of the State of Montana. We believe that the proposals presented above address aspects of both of those perspectives.

The Montana Quality Education Coalition also remains dedicated to adequate funding that is based on a rational determination of costs of educationally relevant factors that impact the delivery of K-12 public education across the many and disparate school districts and communities of the State. To that end, MQEC continues to measure funding proposals against the most current estimates of cost available to it. With that in mind, MQEC believes that the funding proposals presented herein, can be rationally related to those cost estimates. It also points out that the proposals do not completely define adequate funding into the future.

If the 2007 Legislature provides a funding package that addresses the proposals presented, and if the Legislature takes action to assure on-going interim discussions of subsequent phases of funding design, MQEC will consider the 2007 funding as being in accord with the Court's recognition of the State's right to phase in funding toward a goal of adequacy.

If funding by the 2007 Legislature meets the targets described in the proposals presented above, and if that funding is put into mechanisms that maximize their use by local school districts, the Montana Quality Education Coalition would consider the work of this Legislature as clear evidence of intent to phase in adequate funding, and would likely consider its litigation options in that light.

2007 Legislative Agenda

Quality Schools for Every Montana Child



MONTANA
QUALITY EDUCATION
COALITION

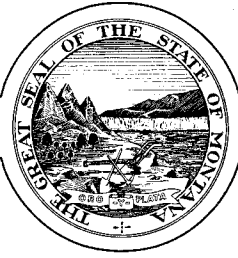
The Montana Quality Education Coalition will play an assertive role during the 2007 Legislative Session. MQEC will be consistent with the positions it took during the 2005 regular and special legislative sessions, and will be consistent with the requirements set by the 2005 Legislature in Senate Bill 152, now 20-9-309 MCA.

MQEC will evaluate legislation proposed during the 2007 Legislature, and will support such legislation that adequately addresses the requirements of 20-9-309 MCA and meets the state's constitutional obligation to adequately fund our public K-12 school system. MQEC will oppose legislation that is not consistent with 20-9-309 MCA and the Court's decision.

MQEC offers its 2007 Legislative Agenda, not as a complete list of legislative elements that will assure adequate funding, but as a guideline by which to measure progress toward a system of adequate funding. MQEC will consider evidence of progress toward adequacy as legislation that:

1. **provides funding that is cost-based and is adequate to satisfy the definition of quality public elementary and secondary schools provided in 20-9-309 MCA.**
 - MQEC has provided an updated adequacy study to the State's Legislators and other policy-makers in order to assist with the process of writing and enacting cost-based funding legislation.
 - MQEC asks the Legislature to honor its own codification of education laws (especially 20-9-309 MCA), and apply the cost-based information provided in the adequacy study to the laws it has already enacted.
2. **enhances funding through a predictable, phased and stable process that meets the State's statutory and constitutional obligations, and that assures adequate future funding for the education of the children of the State of Montana.**
 - MQEC honors the Court's recognition of the state's right to phase in any remedy over time. MQEC will support a phase-in remedy that explicitly prescribes a cost-based approach and leads to a defined funding goal over a specified period of time.
 - MQEC believes that suitable annual inflation factors for all elements of the funding system should be included as an essential first step of any phased remedy.
3. **moves forward with plans for addressing the costs of school facilities.**
 - MQEC requests that the legislature extend the one-time facility funding appropriations made during the 2005 special session until the State completes its facilities study and devises a system for statewide capital needs.
 - MQEC believes that the State should provide a suitable inflation adjustment to this amount for FY 2009 and for subsequent years until the statewide system is implemented.

COMMISSIONER OF POLITICAL PRACTICES



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March 16, 2007

To Those It May Concern:

Subject: CPP Budget

Legal and investigative services

- These costs relate directly to formal complaints the office is required to act on.
- Current year costs are expected to be about \$109,000. About \$85,000 is budgeted. A supplemental appropriation is typically sought when the budget is short.
- The budget for FY 08 is set at only about \$47,500, since FY 06 (base year) spending was substantially lower than current year activity in the office.
- About two dozen complaints were accepted during and after the most recent campaign, versus the average of 8 to 10/year.
- The Legislative Fiscal Division "flagged" this issue. The proposed '08-09 budget is at best half what's needed.

IT system development

- Budget for completing and delivering the long-awaited online system was identified in our Decision Package 1. It is based on detailed, negotiated work orders.
- In House Bill 820, our DP 1 is again cut in half.
- Money has never been appropriated for the online system. Work done so far has been done with personal services savings, a one-time "gift" of candidate registration fees from the Secretary of State's office, donated services from ITSD, and limited funding through the Montana Interactive fund "pool".
- The need for a modern system is often mentioned and appears to have broad support. Montana significantly lags other states in this area, scoring an F in a reputable, national study.
- The system being developed includes campaign registration and financial reporting, and an online campaign search function, as well as online lobbyist registration and financial reporting system.
- The budget notes and criteria set out in condition 2, lines, 4 and 5 on page 16, attainment of performance criteria we set for the project, are impossible to meet with a budget that's cut in half. This sets up a guaranteed failure.